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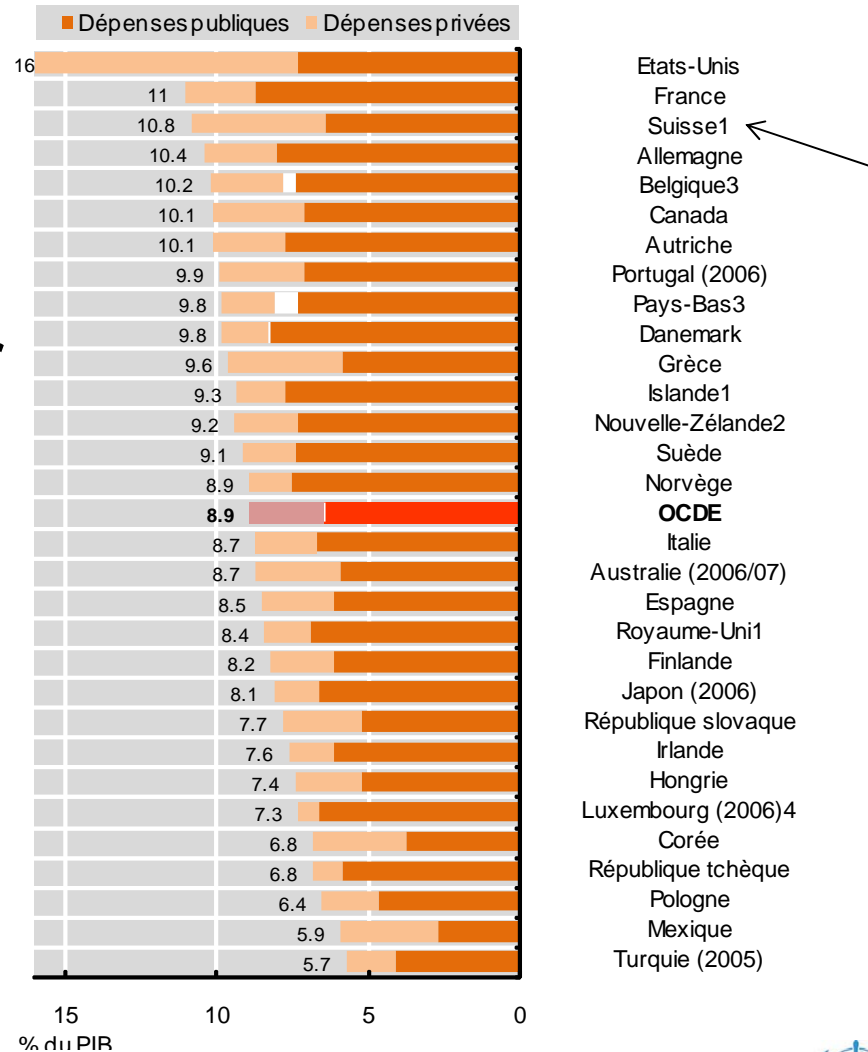
2006 OECD-WHO Review of the Swiss health system

Bern, 19 November 2009

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Switzerland is the third largest spender on health in the OECD

Can value for money be improved?



Source: Eco-Santé
OCDE 2009.

Outline

- Background.
- Assessment of the performance of the Swiss health system and policy recommendations.
- **“Votation!”**
- Conclusion.

Background

- One in a series of OECD reviews of health systems (Korea, Mexico, Finland, Turkey, Russia forthcoming).
- The Swiss review was jointly carried out by OECD and WHO.
- Independent assessment of the performance of the health system against key objectives of health systems.
- Method and peer-review by other OECD countries (Netherlands and Finland).

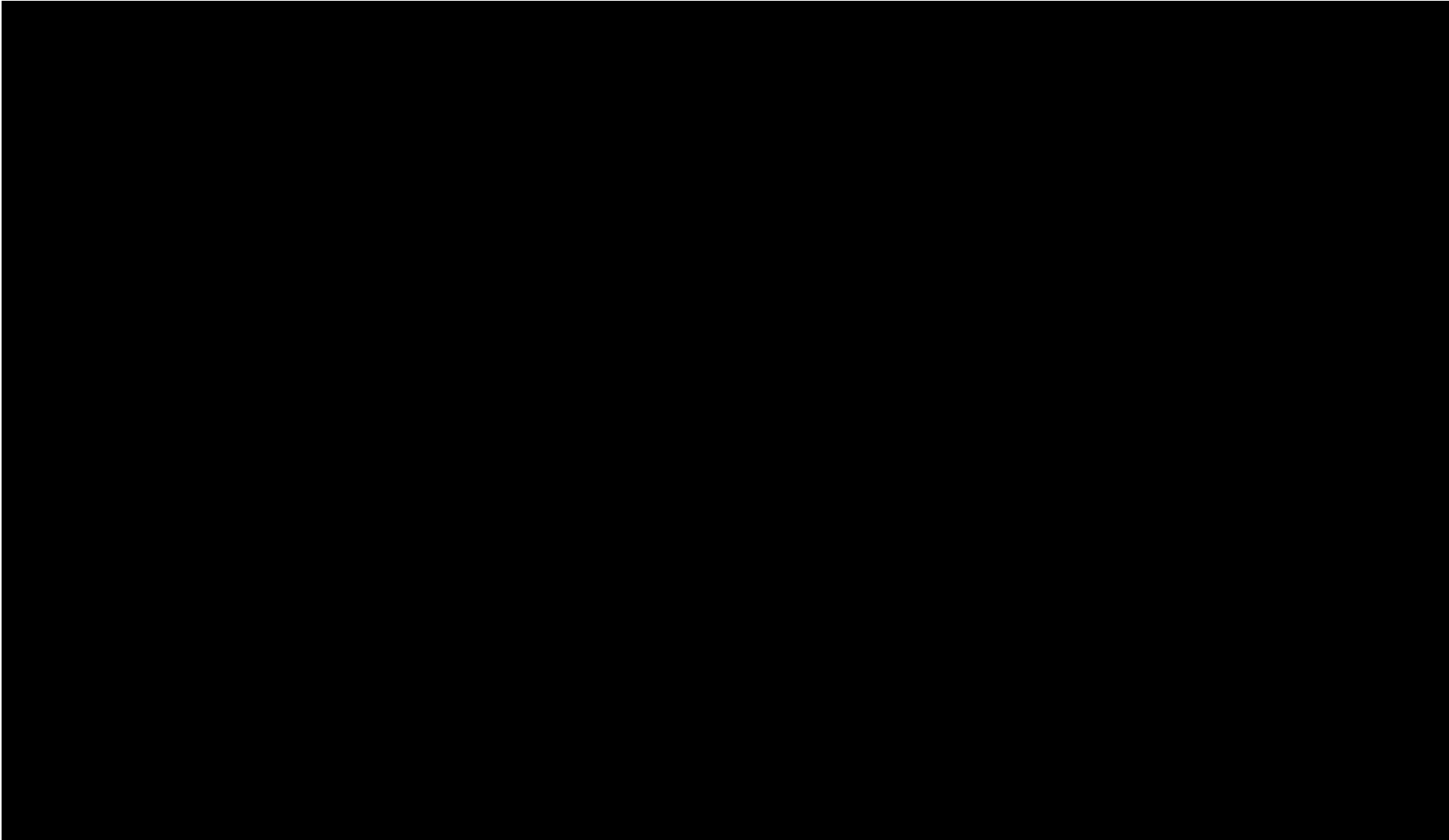
Assessment of performance and policy recommendations

- 1) *Effectiveness*
- 2) *Access, financial protection and coverage*
- 3) *Efficiency and financial sustainability*
- 4) *Systemic issues - governance*

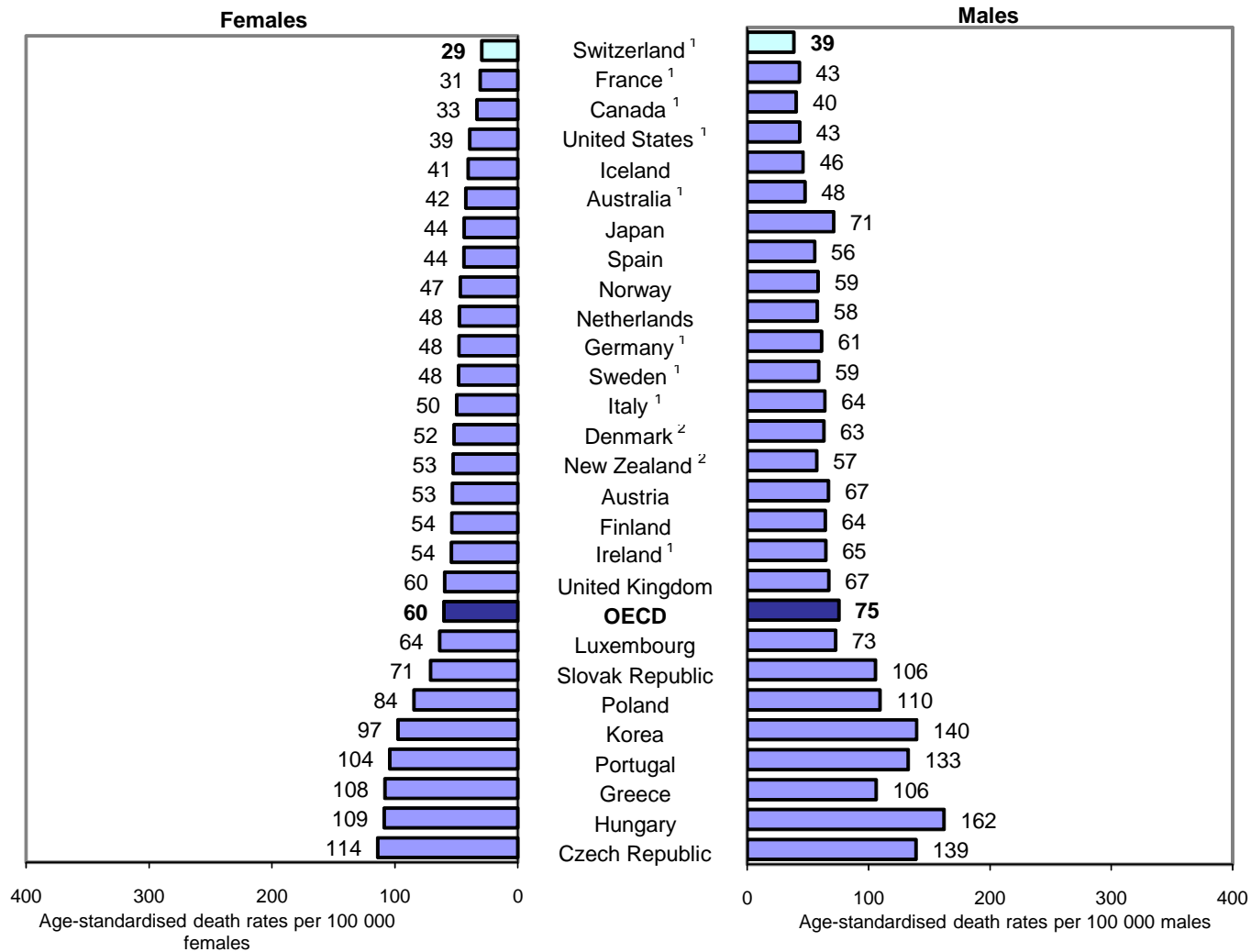
1) *Effectiveness:*

- Health status/outcomes
- Quality of care

Good health status



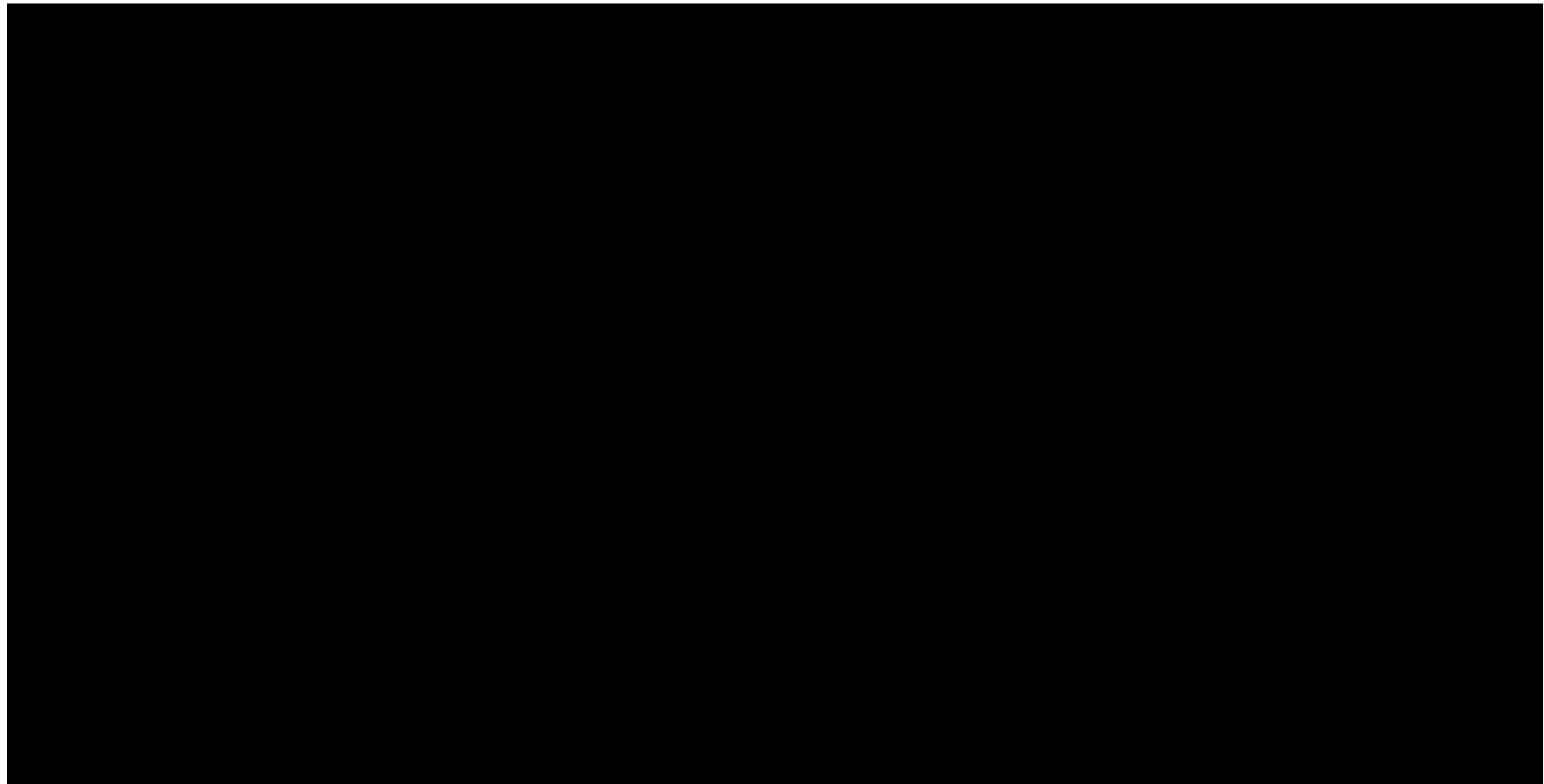
Cerebro-vascular disease, mortality rates (2003)



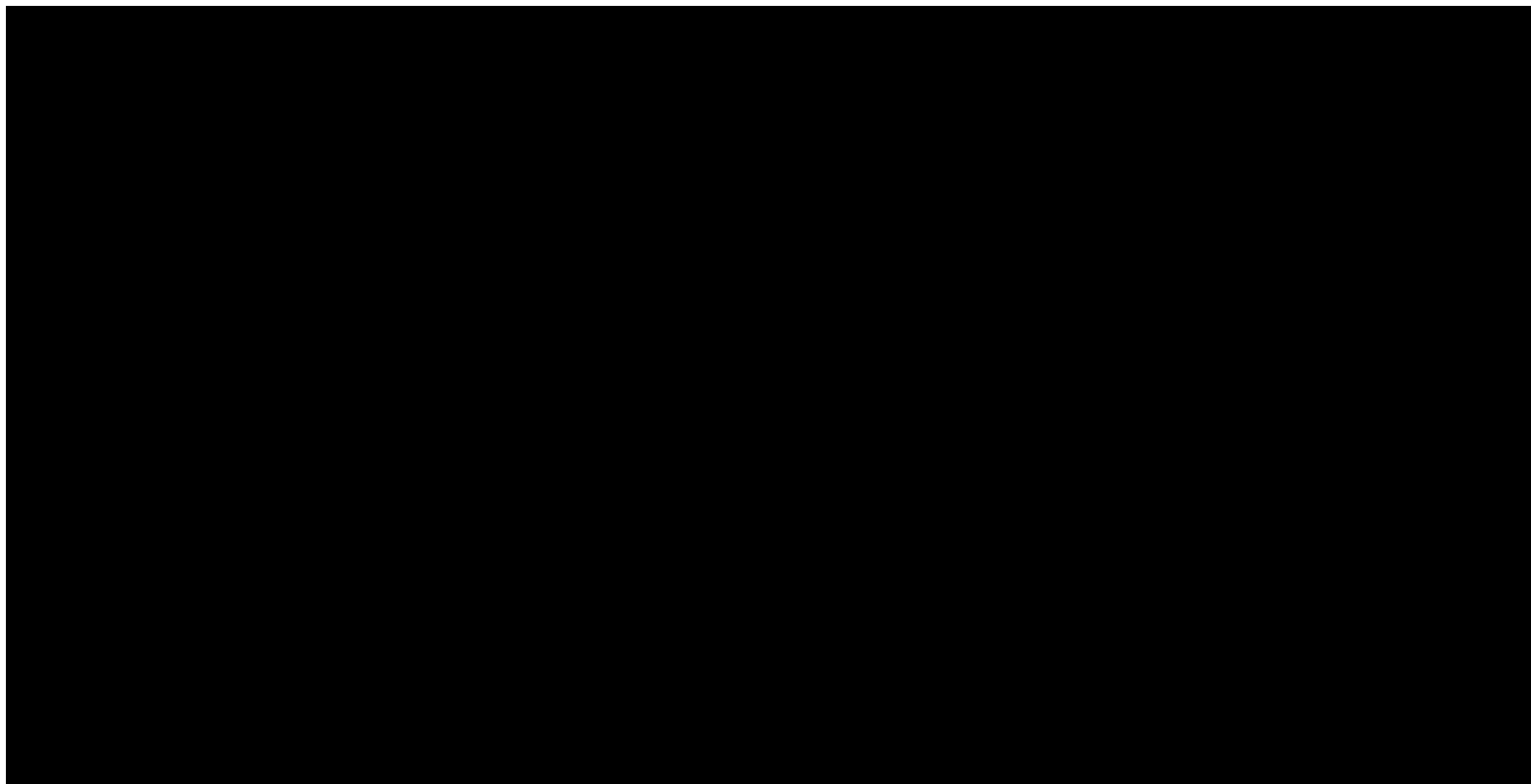
1) 2001; 2) 2000.

Source: OECD Health Data 2005

Increasing overweight and obesity rates among the adult population (1992-2002)

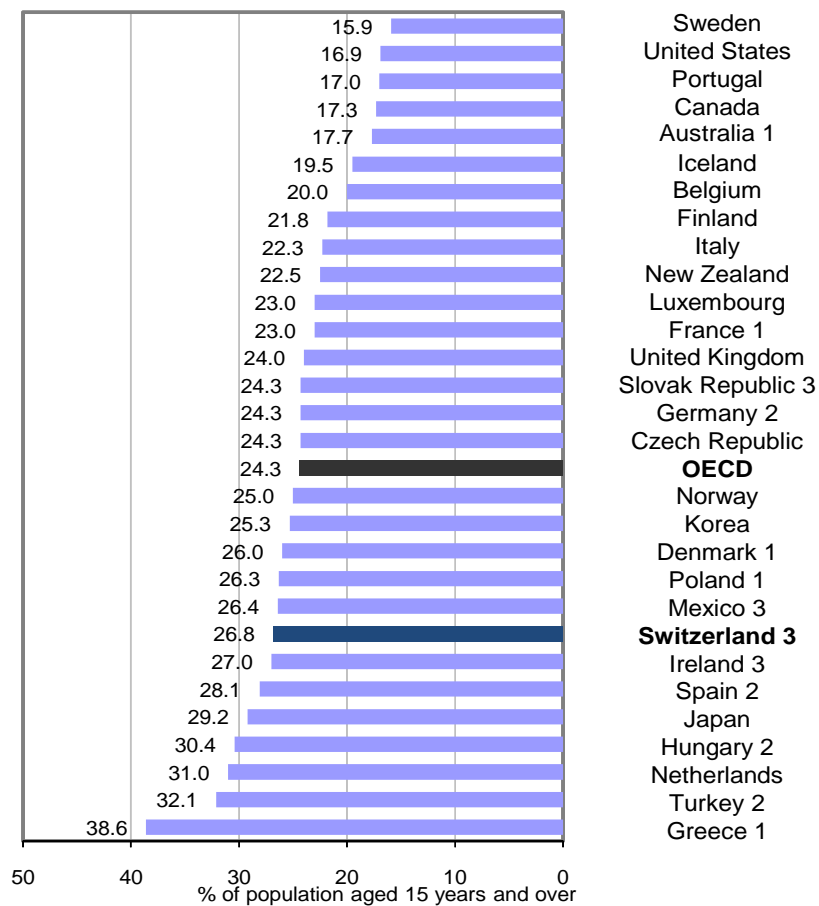


Fruits and vegetables consumption (1961-2002)



Smoking rates above the OECD average

Percentage of adult population smoking daily, 2005

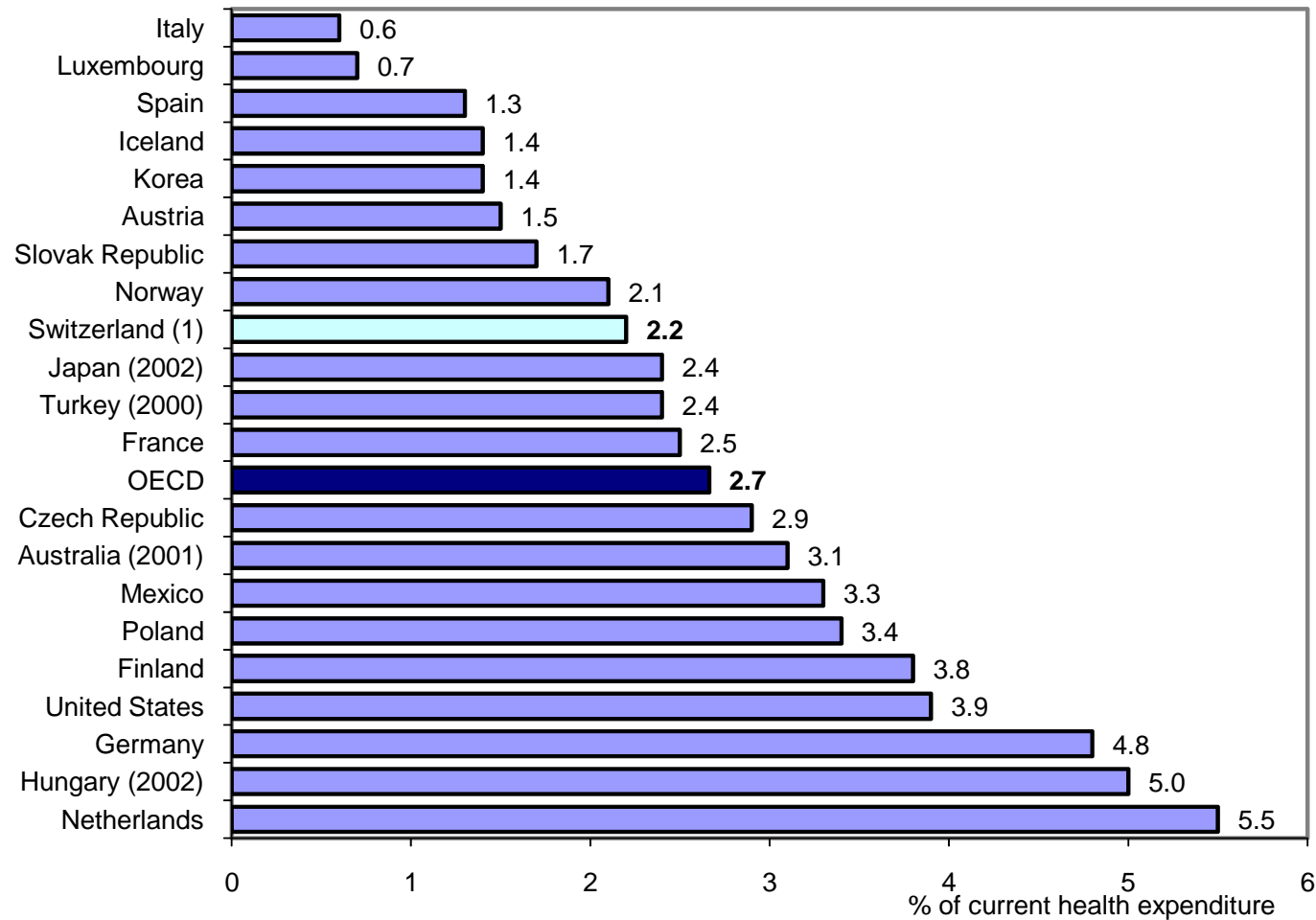


1. 2004. 2. 2003. 3. 2002.
Source: OECD Health Data 2007.

Why imbalance between cure and prevention

- Fragmented legislative framework.
- Weak incentives to invest in prevention.
- Cost-effective interventions are underutilised.

Expenditure on promotion and prevention share of total health expenditure (2003)



OECD Health Data 2005

Taxes on tobacco in Switzerland are lower than in most OECD countries

Cigarettes

Total tax, including VAT
as a % of retail selling price of a
pack of cigarette

Belgium	75
Czech Rep	67
Denmark	75
France	80
Finland	75
Germany	76
Greece	73
Ireland	78
Italy	75
Luxemburg	70
Slovak Rep	70
Hungary	75
Netherland	73
Austria	75
Poland	75
Portugal	78
Slovak Rep	70
Spain	78
Sweden	69
Switzerland	60
United King	77

Source: European Commission (2006), *Excise duty table*:

Part III - Manufactured tobacco, Brussels.

Quality of care

- Professional self-regulation is the prevailing approach.
- Few indicators about actual quality of care.
- No national policies setting standards of care quality.
- Payment systems not aligned to reward quality improvement.

Effectiveness: Synthesis

- Health status is among the highest in OECD
BUT there is an imbalance between health prevention/promotion and cure.
- Perceptions of quality of care are high
BUT quality improvement initiatives are uncoordinated; there are few quality indicators.

Public-health: Recommendations

- Develop a new legislative framework for public-health.
- Encourage the use of measures of proven cost-effectiveness.
- Improve incentives to invest in health promotion and disease prevention.
- Reinforce policies to address mental health and obesity problems.

Quality of care: Recommendations

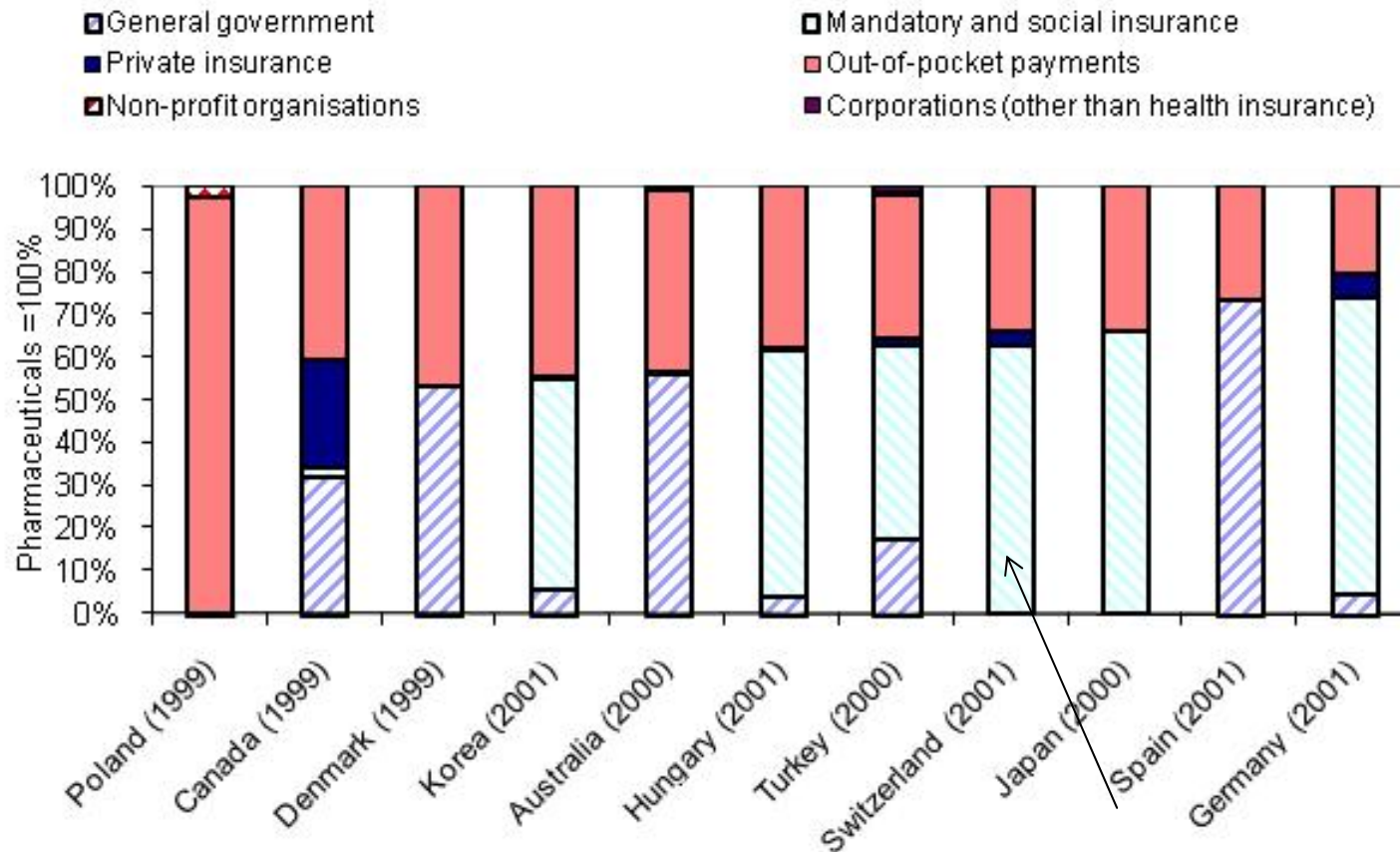
- Establish better mechanisms of professional accountability
- Encourage the development of national programmes of quality of care
- Develop a framework for collecting nation-wide indicators of quality of care

Votation!

- Le Conseil fédéral a récemment approuvé le message relatif à la **loi sur la prévention**. Cette mesure, est-elle un pas vers une politique de prévention et de promotion de la santé efficace et efficiente? ***Oui, non***
- Programmes de **qualité des soins**. Responsabilité nationale? **Oui, non**

2) Coverage, financial protection and access to care

Very good coverage – also for pharmaceuticals

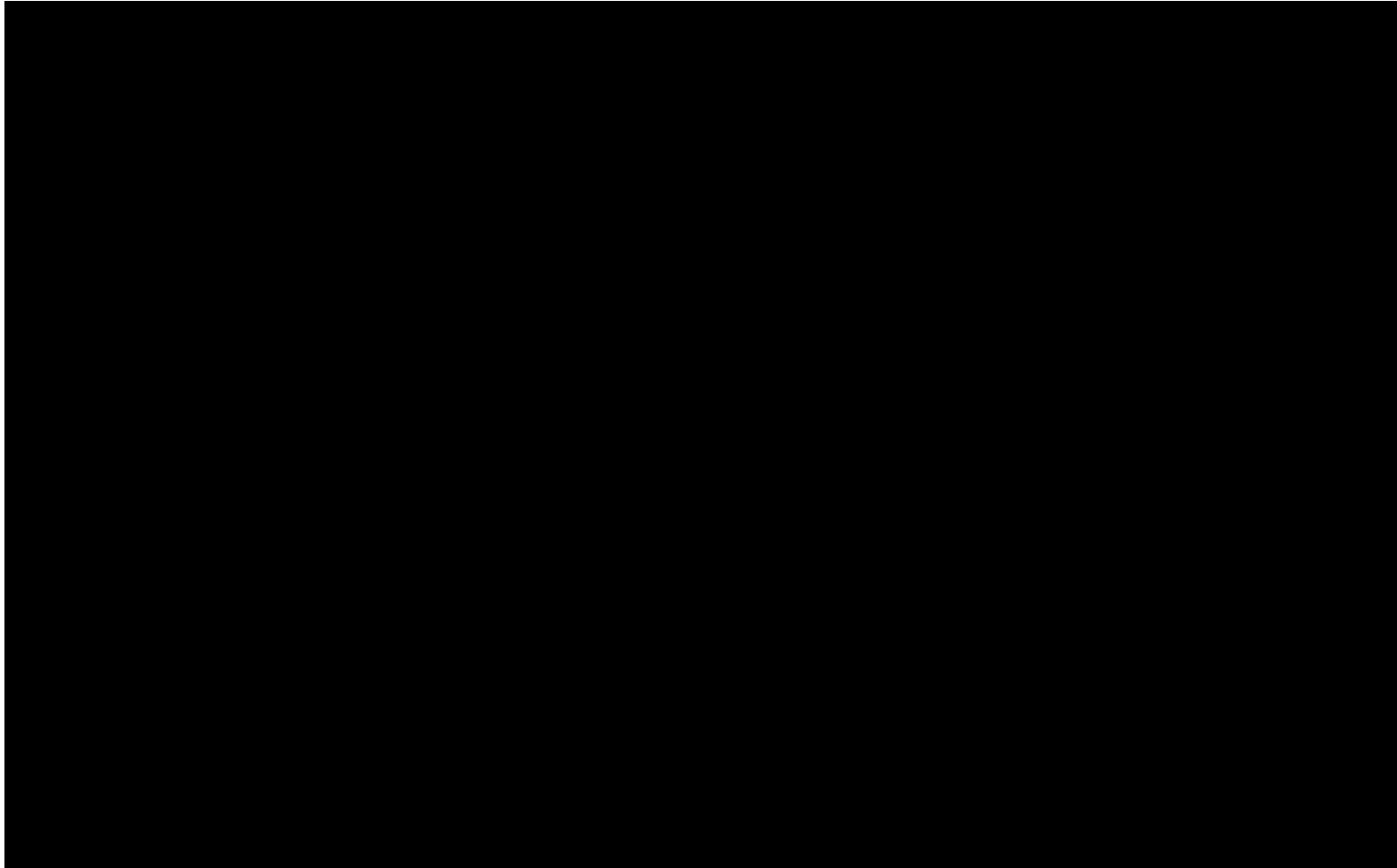


Source: OECD Health Working Papers N. 16, Paris.

Coverage

- Comprehensive benefit package
- But some concerns about the depth of coverage...
- ... and about the criteria for prioritisation and the procedures for inclusion in the benefit package.

Despite flat premia and a high share of out-of-pocket payments...



Social protection mechanisms reduce the impact of regressive financing. But...

- Some affordability difficulties for middle-income families and pensioners .
- As premium inflation continues into the future:
 - **Either** the number of recipients of subsidies will grow, raising cost.
 - **Or** cantons will adopt tighter criteria for eligibility to subsidies to restrain cost growth.

Access to care

- The Swiss population enjoys prompt and widespread access to care.
- Some geographical disparities in the distribution of health resources.
- Some income-related inequities in access to care for specialists.
- High degree of patient choice and satisfaction.

Access to care, financial protection and coverage: Synthesis

- There are few inequities in access to care
BUT
 - There are horizontal inequities across cantons in health financing.
 - Premium growth will raise financing pressures.
- Generous benefit coverage
BUT procedures for defining covered services are inadequate and lack transparency.

Financial protection and coverage: Recommendations

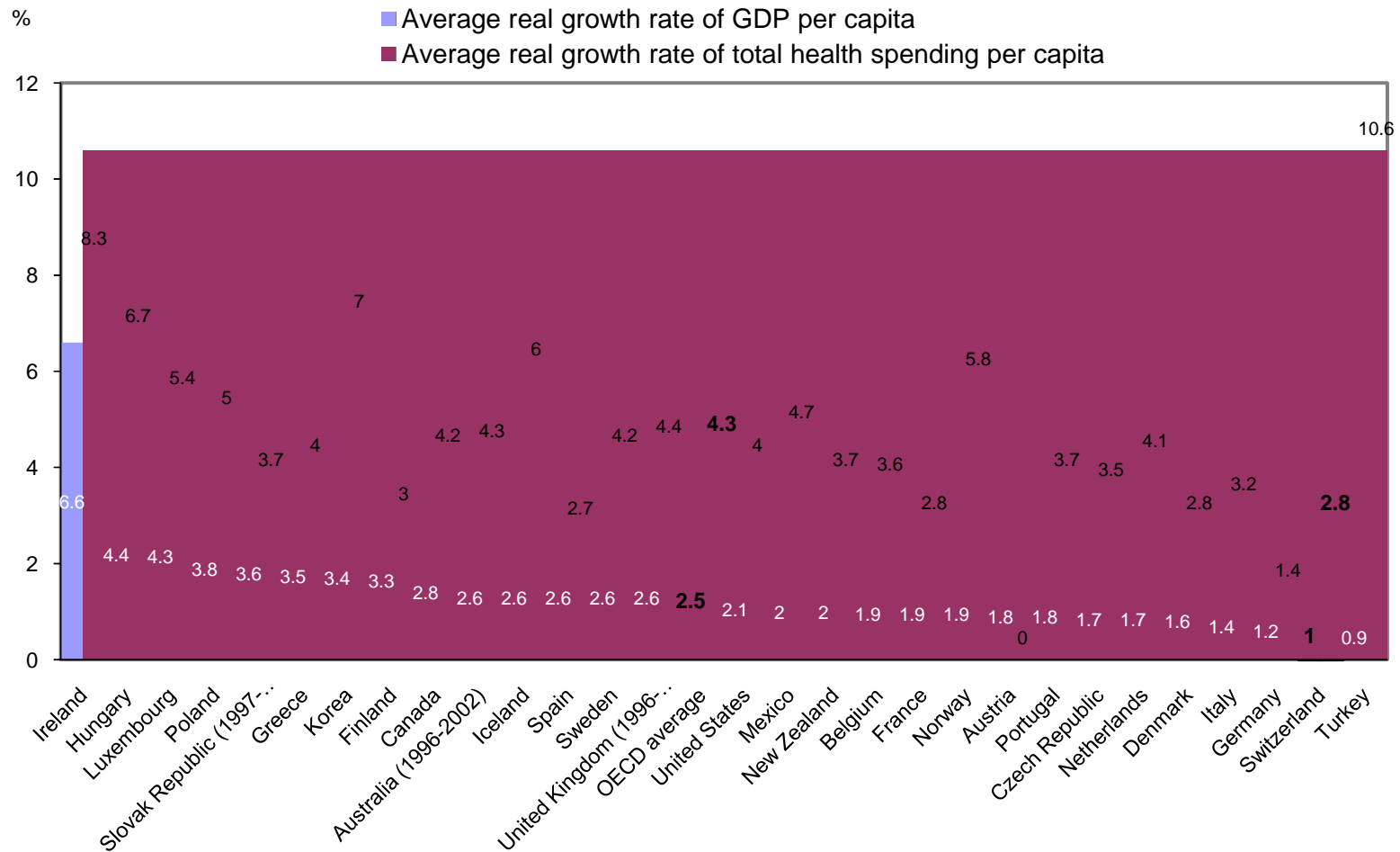
- Specify minimum national criteria of social adequacy for premium subsidies.
- Monitor the effectiveness of premium subsidies, exemption policies, ceilings, etc.
- Strengthen the use of cost-effectiveness analysis and publish assessment reports.

Votation!

- Répartition des médecins sur le territoire (généralistes et spécialistes): **Planification centrale? Planification cantonale? Approche « Laissez-faire »?**
- Accès aux soins: un défi en Suisse? **Oui, non.**

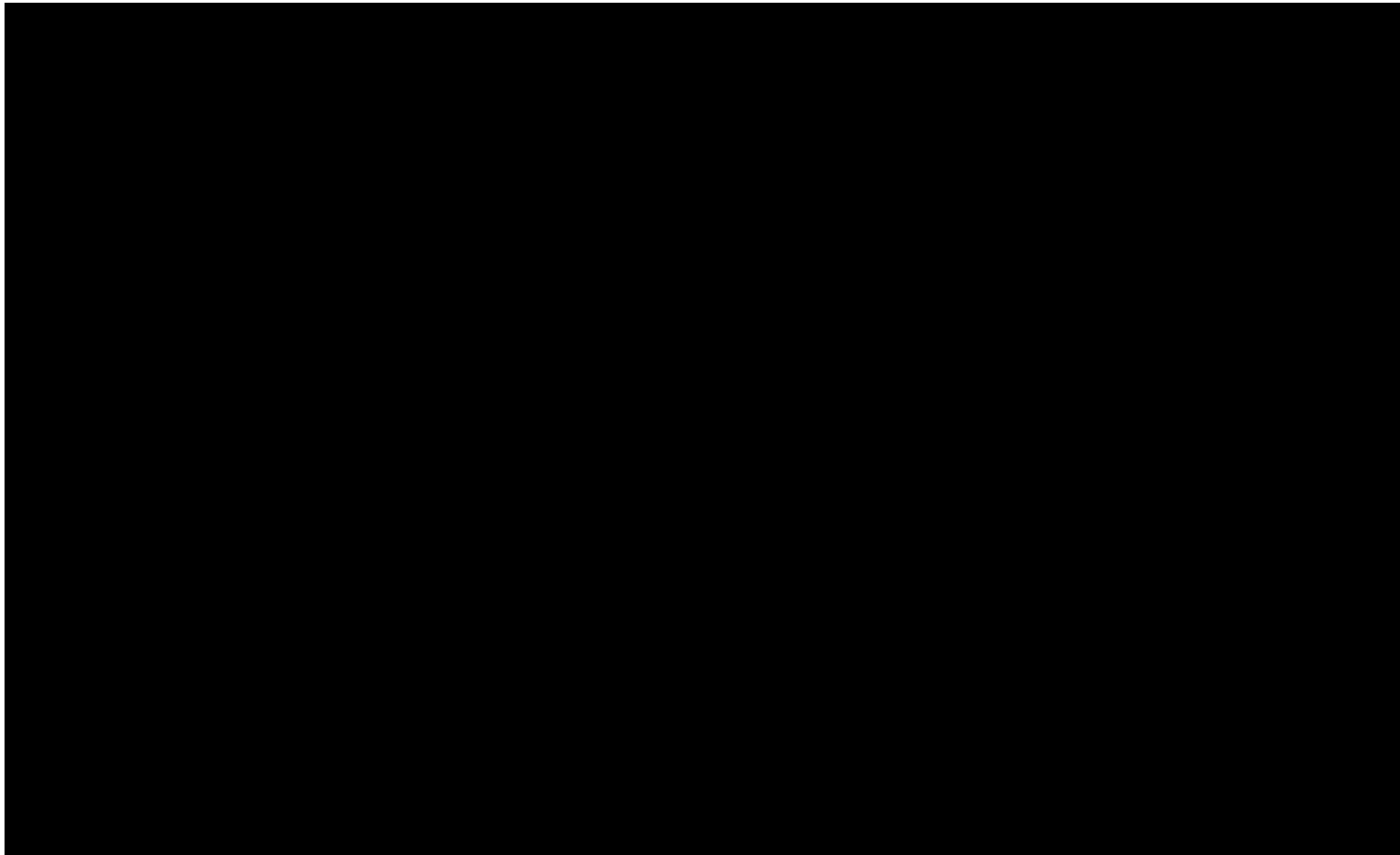
3) Efficiency and financial sustainability

High consumer satisfaction for the system, but health cost growth outstrips GDP growth...



Source: OECD Health Data 2005

Change in health expenditure as a share of GDP between 1996 and 2003



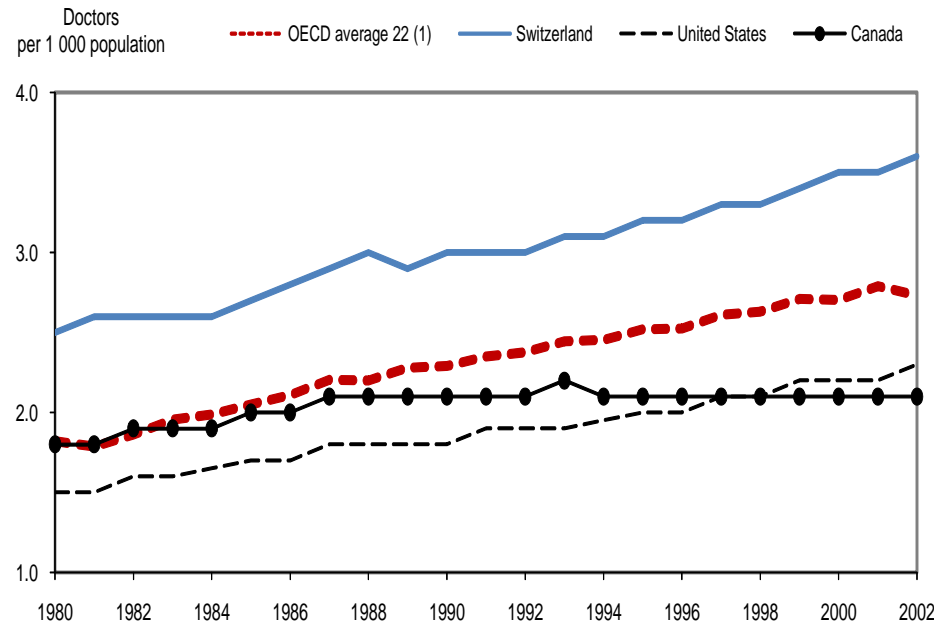
... these trends put pressure on financial sustainability and calls for improved health-system efficiency

Financial sustainability

- OECD projects public spending on health and LTC in Switzerland to increase between 2.3 and 4.9 percentage points of GDP by 2050.
- Improving sustainability depends on capacity to finance through higher GDP growth and on continued control of health spending.
- Determinants of high Swiss health spending: capacity, service volumes, prices.

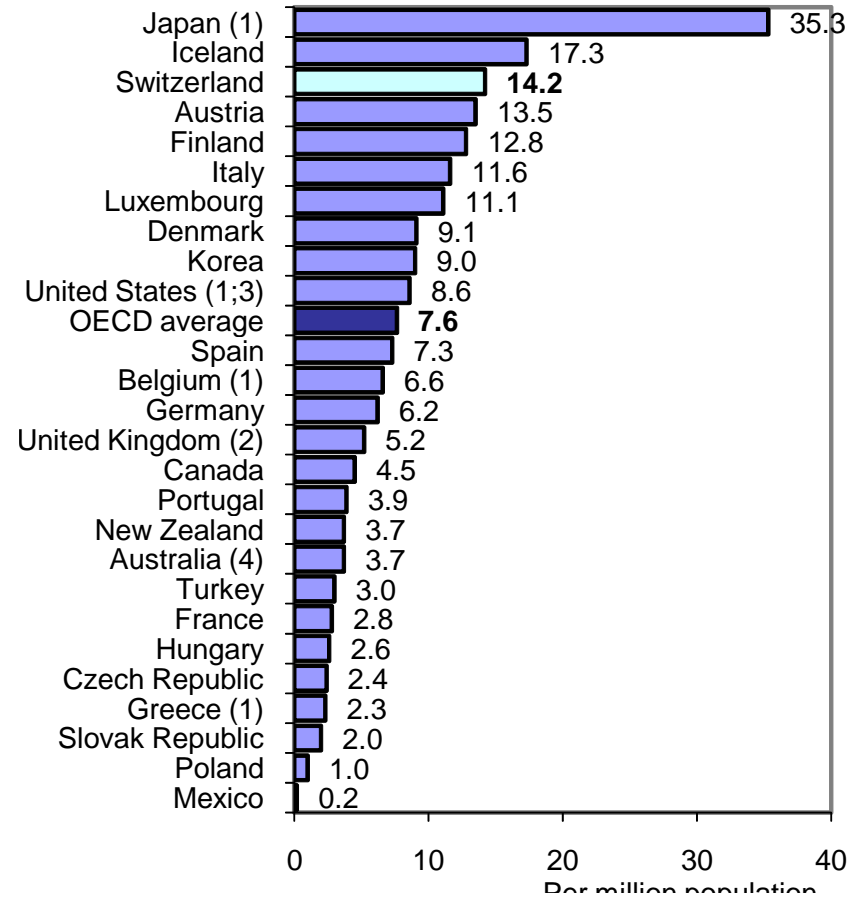
Capacity: high physicians' density, supply of technologies and LTC beds

Density of doctors in selected OECD countries, 1980-2002



Source: OECD Health Data 2005

MRI units per million population, 2003



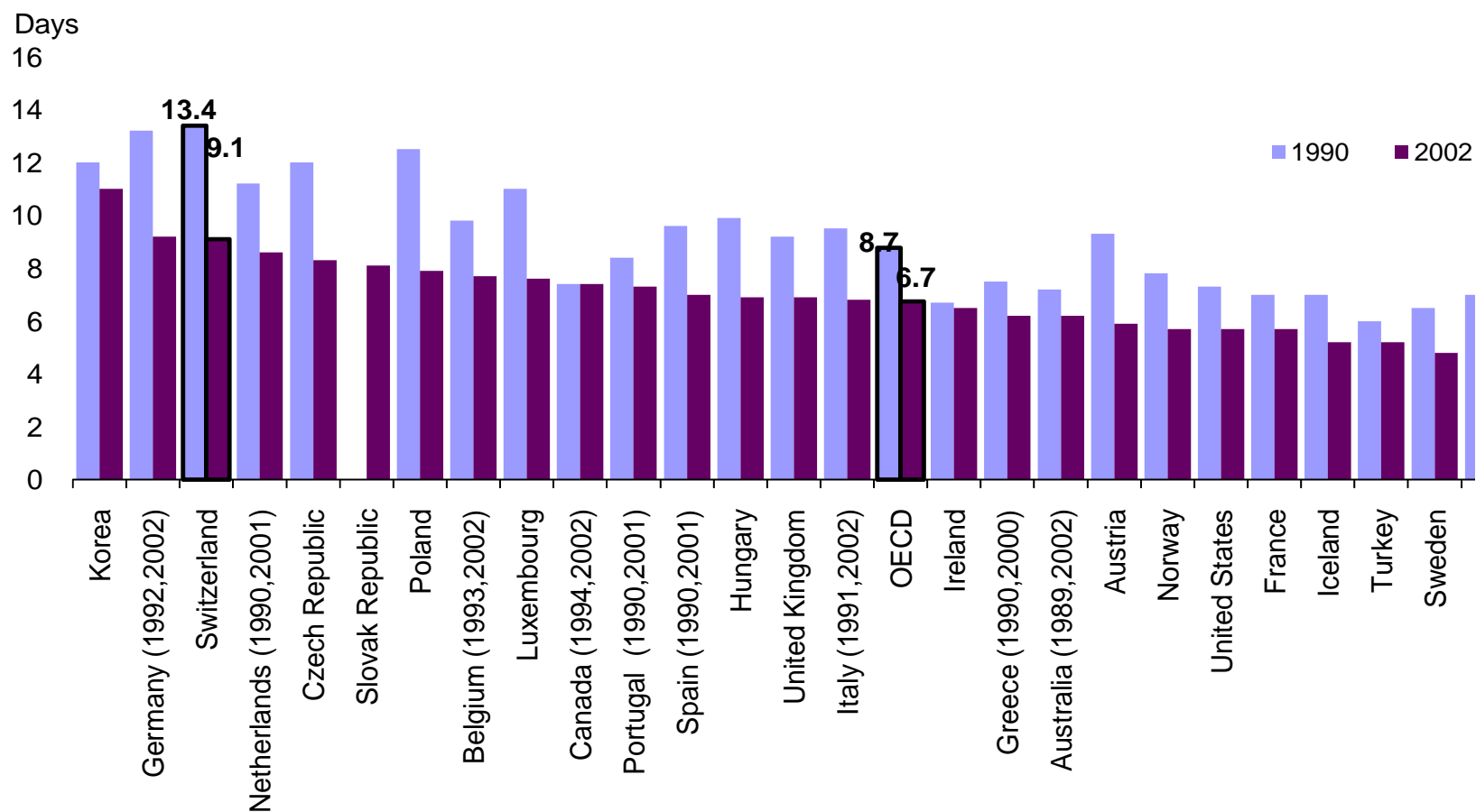
Not especially high volumes of care but relatively high prices

- Physicians in Switzerland have relatively higher income than OECD average expressed in current international prices.
- Pharmaceutical price differentials with other EU countries reducing since 1996, but still among the highest in the world.

Efficiency in the use of health care system can be improved

- Other OECD countries achieve the same or better health outcomes at lower overall costs.
- Weak system incentives to reduce costs.
- Supply is organised at a cantonal level.

Average length-of-stay for acute care in OECD countries, 1990 and 2002



Source: OECD Health Data 2005

Improving demand-side incentives: Recommendations

- Better use of cost sharing to encourage less costly care (e.g., lower cost sharing for generics) and discourage unnecessary or ineffective care.
- Transparent review of the coverage of medical services under the LAMaI.

Better provider-payment arrangements: Recommendations

- Move to prospective payment arrangements for hospitals.
- Shift to a single hospital-financing system.
- Set a harder budget constraints on hospitals.
- Improve incentives in the ambulatory sector (mixed payments).

Pharmaceutical policies: Recommendations

- International price benchmarking not a strong basis for regulating prices of reimbursed drugs as Switzerland is often a first launch country
- Place greater emphasis on the cost effectiveness and transparency in setting drug prices and patient reimbursement policies.
- Further encourage generic prescribing (e.g., increase patient incentives to choose lower-cost products, reforming generic pricing rules)
- Limit the right of doctors to dispense

Contracting and regulation of supply: Recommendations

- New contracting arrangements and a better risk adjustment system to encourage value-based competition BUT...
- Achieving efficiency gains via this route requires several conditions to be in place.
- ... as well as changes in regulation, accountability and governance.

Votation!

- Capacité/offre (nombre de médecins, technologies): Est-il possible de modérer la croissance de l'offre sans mettre en danger l'accès ou la qualité? **Oui, non**
- Mécanismes de paiement des médecins: Vers des paiements basés sur la performance? **Oui, non.**

4) Systemic/governance issues

Weaknesses of the system

- Complicated governance structure:
- Lack of adequate data.
- Little discussion on broader systemic issues.

Governance: Recommendations:

- Develop a broader legal framework for health at the federal level.
- Improve information systems.
- Organise supply and insurance markets at national or multi-cantonal level.
- Set a new regulatory framework to steer competitive markets.

Conclusions

- The Swiss health system has major achievements to its credit.
- BUT these have come at a cost and acceptance of such cost is diminishing.
- To be successful, reforms will require:
 - Some loss of freedom of choice on the part of individuals.
 - Changes in the way the system operates, especially its governance.

*Suggestions?
Commentaires?
Quelles priorités
pour la Suisse?*